AFGHAN EMPLOYMENT IN THE JAMRUD ROAD INDUSTRIAL ESTATE, PESHAWAR

(Final Report)

SUMMARY

Senior management of 53 factories and workshops, representing almost all employers on the Estate, the largest industrial concentration in NWFP, were surveyed with regard to their employment of Afghans.

292 Afghan production workers, and 47 other Afghan workers, were reported, making up 11% of the workforce, and 13% of production workers. Most Afghans were working in only 8 units, and 24 units reported no Afghan production workers.

Afghans made up a higher proportion of the workforce in units with up to 20 total production workers than in larger units, though many were working in the two largest units of all. Units not employing Afghans may have been involved in more technically sophisticated production.

While the majority of managers regarded their Afghan workers as casual, many were also paying their wages monthly, implying some regularity of employment.

The average daily wage, including overtime, for Afghans can approximately be said to be Rs 35, less than the going rate for casual work in construction, which is Rs 40-45 in Peshawar.

There was some suggestion that Afghans are employed more frequently in winter. More managers felt that Afghan employment was increasing than otherwise, and 16 of the 29 units employing Afghans had started doing so in 1990 or 1991.

1 Introduction

Jamrud Road Industrial Estate is a concentration of privately-owned factories under the overall guidance of the Sarhad Development Authority, situated on the western edge of Peshawar, and probably the biggest industrial concentration in NWFP. Following mention of increasing Afghan employment on the estate, I recommended that UNHCR ask Mr Mohammed Tahir, who manages the estate for SDA, to administer a short questionnaire of my own design to senior management of all functioning units on the estate. During the summer of 1991, there were assumed to be 66 functioning units.

Mr Tahir started work in mid July 1991, and by mid-September 1991 had covered 53 functioning units, as well as one still under construction (and therefore with no workforce). Reasons for the non-submission of other questionnaires are not known, but their absence is unlikely to materially affect the conclusions of this report, particularly as all the large units were surveyed early on. Questionnaires received refer to slightly different times of the two-month period of the survey, and in one case, a soft-drinks plant employing 11 Afghans, we know the plant closed shortly after the questionnaire was completed. Such fluctuations can be assumed to balance out and **this final report is based on 53 questionnaires as received, and assumed to be broadly representative of the estate in the summer of 1991.** This report supersedes the preliminary report on the survey written in mid-August 1991.

One problem, that Mr Tahir mentioned to staff of UNHCR Peshawar though not to myself, was that certain factory managers were cautious about giving him information on their workforce, as they are obliged to pay certain charges per worker to SDA. It is not known how this affects current findings.

2 Findings

2.1 Workforce

The total workforce in the 53 units was as follows:

	Pakistani	Afghan	Total
Production workers	2021	292	2313
Construction workers	10	11	21
Other unskilled or semi-skilled (chowkidars, cleaners etc.	356	35	391
Clerical, supervisory and management	473	1	474
TOTAL	**2860**	**339**	**3199**

The number of Afghans employed on the estate is therefore small, especially compared to the Afghan population of Peshawar and its surrounding camps. Afghans only made up 10.6% of the total workforce, and only 12.6% of production workers. It is almost certain that many more Afghans are employed as construction workers on units still to be opened, but this should be regarded as part of the overall construction sector in Peshawar, and surveyed by other methods.

The number of production workers is significant in pointing to an emerging trend, as will be discussed below, and may also be much larger than previously thought relative to the estimated volume of Afghan employment in the construction industry in Peshawar (see my report on the Casual Labour Survey). A breakdown of units by their employment of Afghans is also interesting. It will concern only employment in the production process itself.

217 Afghans, 74% of the total, worked in only eight units, which we can call Group A, where they made up 23.5% of the workforce. Each unit employed at least 10 Afghans. The remaining 75 Afghans worked in a further 21 units, which we can call group B. 24 units, Group C, reported no Afghan employment in production.

The Group A units were generally large. They included 4 match factories, and plants producing: wire and cable, soft-drinks, adhesive tape, and marble tiles.

Group B units were generally smaller. Athough Afghans made up 12.2% of the production workforce, this figure is skewed by one plant employing 297 Pakistanis and only one Afghan, and would otherwise be 23.2%. In several of the smallest units Afghans made up half or more of the workforce. Group B units were producing: formica, marble tiles, ceramics, processed meat, roofing material, batteries, containers, concrete, ice, industrial machinery, furniture, steel, plywood, and aluminium doors.

Group C units were of varying sizes, and produced; food, drink, pharmaceuticals, steel, packaging, rubber, machinery parts, marble, furniture, adhesive tape, hospital equipment, roofing, textiles and glassware. Many products were made in more than one category, and the skills demanded are not always clear without further investigation. It is possible to argue that this group has in general a greater demand for skilled workers, which partially explains the absence of Afghans. Products like pharmaceuticals and hospital equipment would be fairly clear examples of this. The suggestion was supported by the one manager I met personally, whose plant produced retread tyres, and who explained that the skill of working with rubber at high temperatures is unknown among refugees (he added that the language spoken at work was Punjabi, which would also exclude Afghans). The complete lack of Afghans in the textile sector (three units with 176 production workers) is also interesting. Some units in Group C employed Afghans in non-production roles.

The distribution of units in the three groups by the total number of production workers (Afghan and Pakistani) is as follows:

	0	1-5	6-10	11-20	21-40	41-110	>260 workers
Group A	-	-	-	1	1	4	2
Group B	-	5	5	5	3	2	1
A + B	-	5	5	6	4	6	3
Group C	1	5	4	3	4	7	-
Afghans as % of prod^n workers	-	28.2	22.5	23.4	10.8	11.9	10.7

In other words, the distribution by size of units employing Afghans was little different from that of those not employing Afghans. In each size range some units employed Afghans, and others did not. Among the largest factories, two match factories were major employers, accounting for 95 Afghans between them, while one ceramics plant had virtually ceased employing Afghans. Afghans made up a significantly higher proportion of the workforce in the small and very small units than in the larger units.

2.2 Regularity of Employment

Managers were asked to describe their Afghan workers (or the majority in each unit) as: casual, regular but without contract, or contracted. Results follow:

	Casual	Regular	Contracted	No Response
Group A	4	3	0	1
Group B	10	2	6	3
TOTAL	**14**	5	6	4

These figures, however, are somewhat at variance with responses on how frequently wages were paid:

	Daily	Weekly	F'nightly	Monthly	No Response
Group A	1	2	1	4	0
Group B	1	6	0	13	1
TOTAL	2	8	1	17	1

These figures suggest that there is a lot of de facto regularity of employment, even if few Afghans have contracts.

2.3 Wages

The 'average daily wage' of Afghan labour in Group A was between Rs 25 and Rs 40. In Group B it was between Rs 30 and Rs 67. The average daily wage plus 'average daily overtime' of Afghan labour was between Rs 32 and Rs 40 in Group A, and between Rs 30 and Rs 134 in Group B. The high figures in Group B come from one processed meat factory, which paid Rs 66.66 as wage, and the same again as overtime per day. It only employed 5 Afghans in production.

Only 9 units out of 29, and those generally small units, were paying an average wage plus overtime of Rs 40 or above. Given the uncertainty of data collection (each unit was asked for one average figure), there is limited point in trying to calculate an average. Median figures, of units rather than workers, are some indication:

	Median daily wage	Median wage + overtime
Group A	32	35
Group B	35	35

The two large match factories, the biggest employers, were therefore representative in paying Rs 35 and Rs 38 including overtime. The overall trend is fairly clear; Afghans working in factory production are receiving a wage, including overtime, that is generally below, and very rarely above, the going rate for casual construction work (Rs 40-45 in Peshawar). This accords with information received that Afghans in factories are willing to receive smaller wages in return for more regular employment.

Given the proximity of Nasir Bagh and Kacha Garhi camps, Afghan workers are likely to be paying relatively small amounts on transport (Rs 0-2/day). Only the largest factories are likely to provide food, and that subsidized rather than free. Work-related expenses of factory workers are likely to be lower, but not much lower, than those reported for construction workers.

No employer admitted paying Afghans less (or more) than Pakistanis for the same work.

2.4 Seasonality

Managers of four units in Groups A and B reported greater Afghan employment in winter than in summer, as Afghans come down to Peshawar only for the cold season. The soft-drink plant employed more Afghans (and presumably Pakistanis) in summer, because of seasonal demand for its product. Managers of two match factories specifically remarked that Afghans could work in all seasons.

2.5 Long-Term Trends

More managers said Afghan employment was increasing than said it was decreasing, but this in itself was not conclusive:

	Increasing	Decreasing	Constant	Fluctuating	No Response
Group A	3	2	2	1	0
Group B	8	5	3	3	2
TOTAL	**11**	**7**	**5**	**4**	**2**

More interesting, perhaps, were the years in which units had first employed Afghans; the majority had done so in 1990 or 1991.

	79	80	81	82	83	84	85	86	87	88	89	90	91
Group A	1	-	-	-	-	-	3	-	-	1	-	2	1
Group B	-	-	1	-	-	1	2	1	2	1	-	6	7
TOTAL	1	-	1	-	-	1	5	1	2	2	-	8	8

Units that had started employing Afghans in the last two years included both very small and large employers (though the two very large match factories had both started in 1985), and did not represent any particular category of production. Except in one case (the ceramics plant mentioned above), there was no evidence that any unit which had previously employed Afghans had stopped doing so. Employment of Afghans in both small and large enterprises on the estate is thus mainly a recent phenomenon. Despite the inconclusive data from the previous question we can guess it is a growing one.

2.6 Other Comments

Five managers made positive comments on Afghan workers; that they could endure all climates, were hardworking, cheap, honest and skilled. One manager (who had employed Afghans since 1979) referred to his duty to help them by providing jobs. One manager employing Afghans only in non-production roles said he called on Afghans when Pakistanis were not available, another clearly had a policy of employing no Afghans whatsoever. In two cases Afghans were said to be living in the factory. Mr Tahir had previously mentioned that some 'sick', i.e. closed, units were used now for this purpose. No information was received indicating that Afghans owned or partly owned any unit.

3 Conclusions

It is likely that Afghan employment on the estate will continue to grow. While many units, for whatever reason, employ no Afghans, a majority, including both large and small employers, are prepared to do so, and have become more likely to do so in the last two years. While Afghans make up a higher proportion of the workforce in smaller units, a few large units, notably two match factories, make up the bulk of Afghan employment. The tendency seems to be to hire Afghans for jobs requiring fewer skills. On the part of the Afghans, they appear ready to accept low wages for employment that is in fact, if not in principle, relatively secure. It remains to be seen to what extent these trends are evident elsewhere in NWFP.

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3 Conclusions